GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2678
ANSWERED ON:31.08.2007
ATM FACILITIES IN RURAL AREAS
Reddy Shri Karunakara G.

Will the Minister of FINANCE be pleased to state:

(a) whether the Government proposes to introduce ATM facilities in the rural areas of the country; and

(b) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b) : Under the extant Branch Authorization Policy, banks are encouraged to open branches/install ATMs in rural centers and underbanked districts. While considering applications for branches/ATMs, RBI will give weightage to the nature and scope of banking facilities provided by banks to common persons, particularly in underbanked areas (districts), actual credit flow to priority sector, pricing of products and overall efforts for promoting financial inclusion, including introduction of appropriate new products and the enhanced use of technology for delivery of banking services. The need to induce enhanced competition in the banking sector at various locations is also a factor which is taken into account.

The choice of the center/location of the branch/ATM, is left to the discretion of the banks, which the banks decide based on the business potential, commercial viability, availability of infrastructure, etc.